

June 4, 2002

Opening Statement for Congressman Paul E. Gillmor  
House Financial Services Committee Subcommittee on Capital Markets, Insurance and  
Government Sponsored Enterprises Hearing  
“Insurance Regulation and Competition for the 21<sup>st</sup> Century” Day 1

I would like to thank Chairman Baker for holding this important hearing this afternoon, the first in a series of discussions on how best to reform and modernize our current insurance regulatory system.

Several reform proposals have already come to the committee’s attention and I look forward to hearing today’s witnesses’ opinions in this regard. Before this committee considers any substantive legislation in this area, lengthy discussions must take place considering all the ramifications of changes such as optional federal chartering, interstate compacts, and federally targeted uniformity proposals.

As a member of the House Energy and Commerce Committee during the consideration of the Gramm-Leach-Bliley Act (GLBA), I remember the intense debate surrounding federal regulation of the insurance industry. As in other areas addressed in the GLBA, it is important that we review the implementation of the agent licensing standards, and assess the changes in the industry as a result, before considering additional new regulations.

It is widely agreed that the time for modernization of insurance regulations has come and I commend our subcommittee chairman for realizing the importance of this issue. I hope today’s discussion and those to come will lead us toward a reform proposal that addresses the concerns of those most supportive of optional federal chartering while continuing to improve state regulations.

Again, I would like to thank the chairman for holding today’s hearing and our witnesses for joining us. I look forward to a healthy exchange of ideas.